

ELECTRONICALLY FILED

August 1, 2006

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Counsel for the Official Committee Of
 Equity Security Holders Of USA Capital First Trust Deed Fund, LLC

**UNITED STATES BANKRUPTCY COURT
 DISTRICT OF NEVADA**

In re:
 USA COMMERCIAL MORTGAGE COMPANY,
 Debtor.

) BK-S-06-10725-LBR
 Chapter 11

In re:
 USA CAPITAL REALTY ADVISORS, LLC,
 Debtor.

) BK-S-06-10726-LBR
 Chapter 11

In re:
 USA CAPITAL DIVERSIFIED TRUST DEED FUND, LLC,
 Debtor.

) BK-S-06-10727-LBR
 Chapter 11

In re:
 USA CAPITAL FIRST TRUST DEED FUND, LLC,
 Debtor.

) BK-S-06-10728-LBR
 Chapter 11

In re:
 USA SECURITIES, LLC,
 Debtor.

) BK-S-06-10729-LBR
 Chapter 11

Affects

- ☐ All Debtors
☐ USA Commercial Mortgage Co.
☐ USA Securities, LLC
☐ USA Capital Realty Advisors, LLC
☐ USA Capital Diversified Trust Deed
☒ USA First Trust Deed Fund, LLC

Hearing

Date: August 31, 2006
 Time: 9:30 a.m.
 Place: Courtroom #1

**NOTICE OF OBJECTION OF THE OFFICIAL COMMITTEE OF EQUITY SECURITY
 HOLDERS OF USA CAPITAL FIRST TRUST DEED FUND, LLC TO PROOF OF
 CLAIM FILED BY PROSPECT HIGH INCOME FUND, ML CBOIV (CAYMAN) LTD,
 PAMCO CAYMAN, LTD., PAM CAPITAL FUNDING, L.P., HIGHLAND CRUSADER
 FUND, LTD., AND PCMG TRADING PARTNERS XXIII, L.P. (AFFECTS DEBTOR
USA CAPITAL FIRST TRUST DEED FUND, LLC)**

PLEASE TAKE NOTICE that on August 1, 2006, the "Objection Of The Official Committee Of Equity Security Holders Of USA Capital First Trust Deed Fund, LLC To Proof of Claim Filed by Prospect High Income Fund, ML BCOIV (Cayman) Ltd., Pamco Cayman, Ltd., Pam Capital Funding, L.P., Highland Crusader Fund, Ltd., and PCMG Trading Partners XXIII, L.P." (the "Objection") was filed by the Official Committee of Equity Security Holders of USA Capital First Trust Deed Fund, LLC (the "FTDF Committee"). Pursuant to the Objection, the FTDF Committee objects to and seeks disallowance of claim number 16 (the "Highland Capital Claim") filed by Prospect High Income Fund, ML BCOIV (Cayman) Ltd., Pamco Cayman, Ltd., Pam Capital Funding, L.P., Highland Crusader Fund, Ltd., and PCMG Trading Partners XXIII, L.P. (collectively, "Highland Capital") against USA Capital First Trust Deed Fund, LLC ("the FTDF") on June 7, 2006. The FTDF Committee objects to the Highland Capital Claim on the grounds that the Highland Capital Claim is based on a lawsuit against USA Capital Diversified Trust Deed Fund, LLC (the "DTDF"), and that, accordingly, the FTDF has no liability on account of such claim. By the Objection, the FTDF Committee does not seek to prejudice the right of Highland Capital to recover from the DTDF or any of the other Debtors in the Chapter 11 Cases on account the lawsuit underlying the Highland Capital Claim.

PLEASE TAKE FURTHER NOTICE that the hearing on the Objection will be held before the Honorable Linda B. Riegle, United States Bankruptcy Judge, in the Foley Federal Building, 300 Las Vegas Boulevard South, Courtroom 1, Las Vegas, Nevada, on August 31, 2006, at the hour of 9:30 a.m.

PLEASE TAKE FURTHER NOTICE that any response to the Objection must be filed by **August 24, 2006** pursuant to Local Rule 3007(b), which states:


If an objection to a claim is opposed, a written response must be filed and served on the objecting party at least 5 business days before the scheduled hearing. A response is deemed sufficient if it states that written documentation in support of the proof of claim has already been provided to the objecting party and that the documentation will be provided at any evidentiary hearing or trial on the matter.

If you object to the relief requested, you *must* file a **WRITTEN** response to this pleading with the court. You *must* also serve your written response on the person who sent you this notice.

1 If you do not file a written response with the court, or if you do not serve your
2 written response on the person who sent you this notice, then:

3 ! The court may *refuse to allow you to speak* at the scheduled hearing; and
4 ! The court may *rule against you* without formally calling the matter at the
5 hearing.

6
7 DATED: August 1, 2006


Andrew M. Parlen, Esq.
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Professional Corporation
Counsel to the Official Committee of Equity
Security Holders of USA Capital First Trust
Deed Fund, LLC